

Gateway Casinos and Entertainment Inc.
Grand Villa Casino
GPEB File # COMM-5249
2009/10 Annual Audit

EXECUTIVE SUMMARY

An audit of the Gateway Grand Villa Casino was conducted for the period April 1st, 2009 to March 25th, 2010 to verify compliance with the *Gaming Control Act, Regulation* and all applicable standards, policies and directives.

The scope of this audit included a review of all casino gaming operations for a full gaming cycle, documentation and reports from the period, registration, and responsible gambling. Procedures were performed on a test basis to provide reasonable assurance of compliance. Exceptions are reported on a risk-adjusted basis.

Although operational exceptions were identified in several areas, the site was found to be overall compliant. BCLC has indicated in its response that it has addressed the issues with the service provider.

OBJECTIVE

The objectives of this audit are to:

- Verify compliance with the *Gaming Control Act (GCA)* and *Regulation (GCR)*;
- Verify compliance with *BCLC Casino Standards, Policies and Procedures (CSPP)*; and
- Verify compliance with GPEB standards, policies and directives.

SCOPE

The scope of this audit included:

- A follow-up of previously identified deficiencies.
- Review of operations for a full gaming cycle, including:
 - Vault (cash cage, count room and cash and chip safekeeping);
 - Table games (opening, closing and table administration);
 - Slot operations (procedures and gaming asset controls);
 - Surveillance (administration, procedures and equipment);



- Security (procedures, premises and gaming asset controls);
- Review of service provider records of equipment, suppliers and gaming workers for comparison against GPEB registration records;
- Review of service provider administration of the responsible gambling program; and
- Review of available BCLC Operational Gaming Audit reports and Service Provider incident reports for the period April 1st, 2009 to March 25th, 2010.

PROCEDURES

An audit of the Gateway Grand Villa Casino was conducted for the period April 1st, 2009 to March 25th, 2010. The period of field work was March 22nd to 25th, 2010. Audit procedures were conducted on a test basis to provide reasonable assurance of compliance as stated in the objectives. This report identifies exceptions on a risk-adjusted basis.

Performed on-site compliance work through observation, interview and testing which included:

- Casino closing through to the next day opening;
- Gaming and cage operations, including shift changes, drop box pulls, slot soft drops and counts;
- Surveillance and security operations;
- Surveillance recording data;
- Daily revenue reports and back-up documentation; and
- Casino employee records compared against Registration Division active employee records.

An exit interview was conducted on March 25th, 2010 with the Casino Executive General Manager, Casino Executive Manager – Table Games, BCLC CSOM and BCLC Operational Gaming auditor to discuss preliminary audit findings.

EXCEPTIONS

Responsible Gambling

1. A sample comparison of the service provider active employee listing and the BCLC Appropriate Response Training (ART) database noted 19 employees who were not listed in the database as having completed ART training. The auditor sampled 150 employees from the employee payroll listing to the BCLC ART database. The auditor noted that the service provider's own ART listing lists 17 of the 19 employees as having completed the ART training. (*Responsible Gambling Standards for the BC Gambling Industry Section 3.2 & CSPP Sec. 1-3.1 ss. 7.5*)



BCLC Response: The BCLC Gaming Auditor contacted the designated staff member in charge of ART training and the BCLC Responsible Gambling Coordinator and all discrepancies with the ART list identified in this audit have been resolved.

Regulatory

2. A review of the service provider terminated employee listing noted 18 individuals whose tags were not returned to GPEB within 30 days after the end of the month in which the termination occurred. This was confirmed by the site's Human Resources manager. The termination dates for these individuals date as far back as September 2009. (*Gaming Control Regulation 34(q)*)

BCLC Response: All tags have been returned to GPEB and a concerted effort will be made to ensure that all future tags are returned within the designated time period.

3. It was noted through observation that there was no liquor policy poster at the Food Court, where alcohol was being served. (*CSPP Sec. 1-5.1 ss. 4.3*)

BCLC Response: This signage is now in place.

Cage and Vault

4. A review of the counting equipment testing log noted that an individual was signing the log as complete without actually taking part in the testing. Logs "CR1" and "CR2" were reviewed for the period February 27th, 2010 to March 23rd, 2010. In both cases the log was signed by the same employee each day. A review of the cage shift schedule for the period March 14th to 27th, 2010 noted that same employee did not work each day. The counting equipment testing log must be signed by an employee performing the testing. The BCLC requirement states that two registered gaming employees, one of whom shall be a Cage Supervisor or a Drop Team Supervisor, shall undertake the testing procedure. (*CSPP Sec. 1-14.1 ss. 9.2 & 9.4*)

BCLC Response: The Cage Management will ensure that the appropriate people are signing the Testing Logs.

5. Through review of a sample of 27 LCT records completed in February and March 2010 the auditor identified 9 iTrak LCT records which contained insufficient detail in the "occupation" field. The occupation field contained businessman, business owner or self-employed. The Service Provider shall obtain the patron's principal business or occupation prior to completing the applicable transaction. It is not sufficient for the patron to provide vague information such as "self-employed" or "business owner." (*Proceeds of Crime Money Laundering and Terrorist Financing Act (PCMLTFA) & CSPP Sec. 3-8.1 ss. 2.4.1*)



BCLC Response: The site is diligent about asking LCTR patrons for their occupations, unfortunately the site cannot force a patron to give more information than they want to and thus can only detail the information given on the LCT record.

Security

6. A review of the S.15 control access schedules noted the following deficiencies:

- Numerous dealers had access to the
This was confirmed to be an error by the Security Manager.
- Several cashiers and relief cashier supervisors had access to the
This was confirmed to be an error by the Security Manager.

should be restricted to Dealer Supervisors/Pit Managers and
Security. Access to should be limited to those required to perform job duties.
(CSPP Sec. 1-8.3 ss. 1.7.7 & Sec. 5-8.1 ss. 2.2.1)

BCLC Response: All access discrepancies have now been resolved.

7. A review of the Access Change/Request forms completed for new employees noted that several forms were missing. Several additional forms were also noted to be missing the signatures of the employee being granted and/or the department manager authorizing access. (CSPP Sec. 1-8.3 ss. 9.2)

BCLC Response: These forms had just been mis-filed; they have since been re-filed in the Security Manager's office.

8. A review of the Punch Card Confirmation forms noted that a Security Supervisor was not signing the forms documenting that an inspection was performed. The drilled cards are to be inspected prior to their removal from the used card storage room. It was also noted that on numerous forms, the Security Officers confirming the destruction in place of the Supervisors, were also the same individuals who had physically drilled the cards. In order to ensure that all used cards are correctly defaced, an independent review of destroyed cards should be conducted prior to the cards leaving the card punch room. This review should be completed by a Security Supervisor and also should not be conducted by the same individual who has signed as having drilled the cards. (Security And Surveillance Standards For The BC Gambling Industry & CSPP Sec. 7-5.3 ss. 4.1.1)

BCLC Response: This issue was identified in a previous BCLC audit and, as a result, a variance was submitted to BCLC. As of yet there has not been any response. Until the variance is approved a Security Supervisor will participate in the Card Destruction process.



Surveillance

9. Through review of the surveillance training listing it was noted that one operator, who has been employed since October 17, 2008, has not completed the Casino Surveillance Operator training. Standards require the training be completed within one year of commencing employment. (*Security And Surveillance Standards For The BC Gambling Industry & SSPP Sec. 4-3.1 ss. 2.1*)

BCLC Response: This operator has since passed his training.

10. Through review of the iTrak personnel module it was noted that not all employee photos were contained in the module. Standards state that staff photos, names and positions held shall be entered into the s.15 personnel module as soon as possible after hiring to aid in identifying staff. This has been previously identified in a BCLC audit. (*CSPP Sec. 1-7.1 ss. 1.4*)

BCLC Response: Surveillance staff are working to ensure that iTrak has been updated accordingly. The Surveillance Manager has assured me that all personnel will have associated pictures.

11. Through a review of a sample of iTrak incident reports, incidents were identified which required a section 86 report to be filed with GPEB. The review revealed that out of the 10 items sampled, in 1 instance a section 86 was not filed and in 9 instances the incident report did not contain a notation that GPEB had been notified. (*Gaming Control Act 86(2), CSPP 1-9.1 ss. 3.1 & SSPP Sec. 2-5.1 ss. 8.1.8*)

BCLC Response: A review of the incidents noted in this GPEB audit noted that said incidents were all from April, May and June of 2009, since that time this issue has been noted in BCLC audits and the BCLC Auditor has been monitoring this activity. In an effort to ensure that this section of policy is consistently met a dropdown indicating that a Section 86 report has been sent has been added to blank iTrak Incident reports.

12. Through review and discussion it was noted that the system in place to ensure that in the

SPP

Sec. 2-2.1 ss. 5.1)



BCLC Response: On May 6, 2010 I received this response from the Surveillance Manager regarding this issue:

S.15

In BCLC's opinion the Surveillance system does fulfil the minimum requirements outlined in policy.

Tables

13. It was noted through observation that several tables had objects placed in such a way that they obscured the table identification label. In some cases the keypad for the baccarat display was placed on the label, in other cases the discard rack was placed over the label. Table identification labels should be _____ at all times. This issue was also identified in a previous BCLC audit. (CSPP Sec. 5-2.1 ss. 1.1)

BCLC Response: This issue was identified in the 2009 Q2 Tables P1 audit. New signs have been attached to the tables in different locations.

14. A review of the _____ for Table Opening and Closings between March 18th and 24th, 2010 noted two tables with chip inventories where an inventory count was not conducted for _____. This was confirmed by the Executive Manager – Table Games. An opening table inventory count shall be performed on all table games with chip inventories each day. A similar issue was also identified in a previous BCLC audit from November 2009. (CSPP Sec. 5-8.1 ss. 2.1)

BCLC Response: The Service Provider is working to ensure that staff understand that all tables that have chip inventories, regardless of whether they have had play, need to be opened and closed in _____ every day.

CSOM

15. A review of the _____ and _____ User Access Lists found several individuals with active access at the time of the audit who no longer worked for the Service Providers. These individuals were terminated prior to 2010. (CSPP Sec. 1-8.4 ss. 1.5.3 & 2.2.1)

BCLC Response: These lists are audited by the Operational Gaming Auditor twice-yearly and the scheduled audit was conducted shortly after the GPEB audit was completed; all _____ lists have been updated.



SUMMARY

Areas of non-compliance with the *Gaming Control Act* and Regulation; the Province's *Public Interest Standards for the BC Gambling Industry*; the *Proceeds of Crime Money Laundering and Terrorist Financing Act* and the BCLC *Casino Standards, Policies and Procedures* were identified in this audit report. As noted in the BCLC responses contained in this report the identified exceptions have been acknowledged by the Corporation and either the risk will be accepted or changes will be made to service provider operations.

Commercial Gaming Audit
Audit and Compliance Branch
July 15, 2010.

REFERENCE SOURCES

The following information and reference sources were employed during this review:

- *BCLC Operational Gaming Audit reports*;
- *Service Provider incident reports*;
- *Gaming Control Act* and Regulation;
- *Advertising and Marketing Standards for the BC Gambling Industry*;
- *Responsible Gambling Standards for the BC Gambling Industry*;
- *Security and Surveillance Standards for the BC Gambling Industry*;
- *Proceeds of Crime Money Laundering and Terrorist Financing Act (PCMLTF)*
- BCLC *Casino Standards, Policies and Procedures*; and
- BCLC *Surveillance Standards, Policies and Procedures*.

Distribution List:

Mr. Kevin Sweeney, Manager, Operational Gaming Audit, BCLC
Mr. Darren Harding, Chief Operating Officer, Gateway Casinos and Entertainment
Mr. Glen Atchison, Manager, Compliance, Gateway Casinos and Entertainment
Mr. Rick Saville, Executive Director, GPEB Registration and Certification Division
Mr. Larry Vander Graaf, Executive Director, GPEB Investigations and Regional Operations

EDGEWATER CASINO INC.
GPEB File # Comm-4721
2009-10 Annual Audit

EXECUTIVE SUMMARY

An audit of the Edgewater Casino, for the period June 6, 2008 to May 22, 2009, was conducted to verify compliance with the *Gaming Control Act, Regulation* and all applicable standards, policies and directives.

The scope of this audit included a review of: all casino gaming operations for a full gaming cycle, documentation and reports from the period, registration, and responsible gambling. Procedures were performed on a test basis to provide reasonable assurance of compliance. Exceptions are reported on a risk-adjusted basis.

Although operational exceptions were identified in a number of areas the site was found to be compliant. BCLC has indicated in its response that it has addressed the issues with the service provider.

OBJECTIVE

The objectives of this audit are to:

- Verify compliance with the *Gaming Control Act (GCA)* and *Regulation (GCR)*;
- Verify compliance with BCLC *Casino Standards, Policies and Procedures (CSPP)*; and
- Verify compliance with GPEB standards, policies and directives.

SCOPE

The scope of this audit included:

- A follow-up of previously identified deficiencies.
- Review of operations for a full gaming cycle, including:
 - Vault (cash cage, count room and cash and chip safekeeping);
 - Table games (opening, closing and table administration);
 - Slot operations (procedures and gaming asset controls);
 - Surveillance (administration, procedures and equipment);
 - Security (procedures, premises and gaming asset controls);



- Review of service provider records of equipment, suppliers and gaming workers for comparison against GPEB registration records;
- Review of service provider administration of the responsible gambling program; and
- Review of BCLC incident reports and casino occurrence reports for the period June 3, 2008 to May 22, 2009.

PROCEDURES

An audit of the Edgewater Casino was conducted for the period June 6, 2008 to May 22, 2009. The period of field work was May 20-22, 2009. Audit procedures were conducted on a test basis to provide reasonable assurance of compliance as stated in the objectives. This report identifies exceptions on a risk-adjusted basis.

The Auditor(s) performed on-site compliance work through observation, interview and testing which included:

- Casino closing through to the next day opening;
- Gaming and cage operations, including shift changes, drop box pulls, hard and soft drops and counts;
- Surveillance and security operations;
- Surveillance recording data;
- Daily revenue reports and back-up documentation; and
- Casino employee records compared against Registration Division active employee records.

An exit interview was conducted on May 22, 2009 with the Casino Vice President & General Manager, Director of Operations, BCLC Auditor, and BCLC Acting CSOM to discuss preliminary audit findings.

EXCEPTIONS

Responsible Gambling

1. A review of the Responsible Gambling material on site noted that there was minimal material displayed in any language other than English. Brochures were available in other languages, but they had been inserted behind English brochures in the display holders. It was also noted that none of the material at the GameSense center was available in any language other than English. Responsible Gambling material must be available in languages that reflect the customer base. (*Responsible Gambling Standards For The BC Gambling Industry Section 2.5*)

BCLC Response – At the time of this Audit there was a limited amount of non-english GameSense material, however GameSense staff have advised that additional GameSense



material should be ready for the end of July 2009, and upon receipt will be made available to patrons.

2. A comparison of the service provider active employee listing and the BCLC Appropriate Response Training (ART) database noted numerous employees who were employed by the service provider for a period greater than four months before completing ART. Several were noted to have worked for a period of more than a year before receiving the training. Employees are required to complete Appropriate Response Training within four months of commencing employment. (*Responsible Gambling Standards For The BC Gambling Industry Section 3.2 & CSPP 1-3.1, 7.3*)

BCLC Response – The Service Provider is currently sourcing out new software in order to track employees training, anniversary dates etc and expect it to be implemented in the Fall of 2009.

3. A comparison of the service provider active employee listing and the BCLC Appropriate Response Training (ART) database noted numerous employees who were not in the database as having completed the training. A sample of 200 (25%) individuals from the service provider active employee listing were reviewed and 34 (17%) were not in the BCLC database as having completed ART. (*Responsible Gambling Standards For The BC Gambling Industry Section 3.2 & CSPP Sec. 1-3, 7.3*)

BCLC Response – The Human Resources Department at the Edgewater Casino has added ART training to their new employee check list to ensure the timelines are met as well new software in being sourced out to track employees anniversary dates to ensure timelines are met in accordance with policy. In addition the Human Resources Representative is currently working with the BCLC Regional Team Leader, Responsible Gambling to arrange on site training for 9 employees who have been promoted to receive the Level 2 ART training.

4. A review of the self-exclusion log book noted 50 expired self-exclusions. Self-exclusions shall be removed from the logbooks on a regular basis. (*CSPP 7-3.2, 6.1.3*)

BCLC Response – The Service Provider has updated the Self-Exclusion log book and has been reminded of the policy requirement to remove expired Self-Exclusion dossiers. The BCLC Operational Gaming Auditor will monitor.

Regulatory

5. Through discussion with the Director of Human Resources and subsequently through review of a memorandum received from the Director it was identified that terminated employees GPEB cards have not been sent back within the required time period. It is policy that tags are to be returned within 30 days after the expiry of a month in which the employee ceased employment with the provider. (*Gaming Control Regulation Sec. (34) (q)*)



BCLC Response – The Service Provider had hired a new employee that was unaware of the specific requirements for the returning of GPEB tags to GPEB. The employee has since been made aware of the requirements.

6. Through a comparison of the employee listing to the Serving-It-Right listing, supplied by the service provider, it was revealed that a total of 24 employees have not completed the LCLB required training course. This training is required to ensure staff is equipped with the skills to control and enforce liquor policy. (*BCLC CSPP 1-5.1, 3.2.1 & 3.2.2 & Responsible Gambling Standards for the BC Gambling Industry*)

BCLC Response – The Service Provider has implemented a policy where the employee will not be scheduled for a shift until they provide a copy of their “Serving it Right” Certificate.

7. Through a review of the Liquor House Rules it was noted that policy currently states “Guests appearing to be intoxicated may be refused liquor service and gaming privileges.” The CSPP standards state that persons showing signs of intoxication while in a gaming facility shall be refused liquor service. (*CSPP 1-5.1, 4.4*)

BCLC Response – The Liquor House Rules have been changed to match that of the CSPP standards.

8. Through discussion with site staff it was noted that patrons showing signs of intoxication will be refused liquor service, but will still be allowed to participate in gaming activities. The CSPP standards state “any persons showing signs of intoxication or who has been refused liquor service shall not be allowed to participate in gaming activities. (*CSPP 1-5.1, 4.4*)

BCLC Response – The Service Provider has reminded all employees that intoxicated patrons shall not be permitted to participate in gaming activities once they have been refused liquor service or show signs of intoxication.

Surveillance

9. It was noted through discussions with Surveillance Manager that DVD’s being burned with footage to be quarantined (either for internal purposes or for release to external authorities) on a DVD rack at the Supervisor station in the surveillance room.
S.15

(*CSPP 3-3.1, 1.1.6*).

BCLC Response – The Service Provider has quarantined the DVD’s referred to in this exception and has been reminded of this policy requirement. The BCLC Operational Gaming Auditor will monitor.



10. A review of a sample of iTrak Incident files where Section 86 reports had been sent to GPEB noted that the files created for S.15 did not contain a notation that the Section 86 was sent. (CSPP 1-9.1, 2.1.7).

BCLC Response – The Service Provider will remind their staff of the policy requirement to add a notation in the iTrak Incident file that the Section 86 was sent. The BCLC Operational Gaming Auditor will monitor.

Cage & Vault

11. A review of the Counting Equipment Testing logs for the period January 1st to May 21st, 2009 noted the following deficiencies:

- Several instances where testing of count room equipment was not being recorded for periods of There was no indication during the gaps as to whether the machine had been tested, was out of service or was not in use. (CSPP 1-14, 9.1)
- Numerous days where both the cage and count room equipment logs did not have a listed as one of the two individuals conducting the testing. (CSPP 1-14.1, 9.4)
- Several days where only was listed has having completed the testing. (CSPP 1-14.1, 9.4)

BCLC Response – The Service Provider will ensure that the testing/maintenance of counting equipment is completed according to Policy. The BCLC Operational Gaming Auditor will monitor.

12. A comparison of the to the recently terminated employee listing noted that the with the service provider in March 2009. In order to ensure the security of the vault and the gaming assets within, (CSPP 1-8.2 1.5.3)

BCLC Response – The Service Provider has since changed the and will ensure that changes should someone with access to cease employment. The BCLC Operational Gaming Auditor will monitor.

13. A review of a sample of coupons redeemed on May 16th and 19th, 2009 noted numerous coupons that were not being In order to prevent coupons from being reused they must be adequately (CSPP 3-11.1, 5.7.2)

BCLC Response – The Service Provider will remind all Cashiers of the policy to deface redeemed coupons on a consistent manner.



14. It was noted during a review of a S.15 at shift change that the

(CSPP 3-4.1, 1.3.2)

BCLC Response – The Service Provider has reviewed this Policy with the Cage staff, including the process when a Cage staff member becomes ill.

15. A review of Large Cash Transaction Records (LCTR) for the audit period noted the following deficiencies:
- Several records had “Businessman” or “Investor” entered as the occupation of the individual the LCTR was being completed for. A more specific occupation, such as the type of industry a businessman is involved in, is required for FINTRAC purposes. *(CSPP 3-8.1, 2.4.1)*
 - Buy-ins were being amalgamated by table when entered into the LCT module of iTrak. Each individual buy-in that comprises the \$10,000 or more Large Cash Transaction must be recorded separately in iTrak for FINTRAC purposes. *(Proceeds of Crime (Money Laundering) and Terrorist Financing Act/Regulations)*

BCLC Response – The Service Provider and their staff have been informed of the requirement to be more specific when notating a patron’s occupation and documenting separate buy-ins in iTrak for FINTRAC purposes. The BCLC Operational Gaming Auditor will monitor.

16. A review of cheque disbursements of \$10,000 or greater for the period January 1st to April 30th, 2009 noted one payment which was not recorded either on a paper LCTR form or in the iTrak LCT Module. All disbursements of \$10,000 or greater need to be recorded for FINTRAC purposes. *(CSPP 3-8.1, 1.1.3)*

BCLC Response – The Service Provider has been reminded of the requirement to complete a LCTR for all “Race to Win” disbursements of \$10,000 or greater. The BCLC Operational Gaming Auditor will monitor.

17. A review of the service provider cheques issued for the period April 1st to 30th, 2009 noted that the paperwork attached to the cheque did not always contain the CMS Slot Jackpot slip, the CMS Poker Bad Beat Jackpot slip or the table tracking card to indicate that the cheque was being issued for a verified win only. *(CSPP 3-9.3, 1.8.3)*

BCLC Response – The Service Provider has been reminded of the requirements for supporting documentation to be attached to all Service Provider cheques. The BCLC Operational Gaming Auditor will monitor.



Security

18. Through discussion with the security manager it was revealed that currently 10 security officers, the assistant security manager and the security manager have not completed Gaming Security Officer training. Four of the ten security officer employees had attempted the course and were awaiting re-writes. Per the security manager, both he and the assistant security manager are registered to complete the course in July 2009. (CSPP 7-2.1, 1.3 & 2.1)

BCLC Response – The Service Provider is working towards the remaining uncertified Security Staff successfully through the Gaming Security Officer training at the earliest opportunity. The BCLC Operational Gaming Auditor will monitor.

19. A sample comparison of the S.15 to the current payroll employee listing revealed access exceptions. The auditor sampled 150 of 801 employees and noted 8 exceptions. The exceptions are listed as follows:

- Two employees had no access form on file, but their was correct.
- Three employees, whose job position changed, did not have an updated access form on file and their was incorrect.
- Two employees, whose job position changed, did not have a current access/change request form on file, but was correct.
- One terminated employee was still listed as having

To ensure unauthorized access terminated employees should have their access removed and changes should only be made when a signed copy of an access/change form is received.
(CSPP 1-8.3, 1.7.6 & 1.7.7)

BCLC Response – The Service Provider has improved the notification process of terminated employees or employee position changes for timely access updates. The BCLC Operational Gaming Auditor will follow up.

20. Review of the Standard Exception Report for the period April 26, 2009 to May 9, 2009 identified 144 exceptions. Through discussion with the security manager the auditor noted that some of these exceptions are

(CSPP 1-8.3, 1.7.8)

BCLC Response – The Service Provider continues to work with the vendor to rectify and in addition, the Service Provider regularly reviews exceptions and notifies the relevant Managers for follow-up.



21. A review of the S.15 control schedule noted several non-surveillance staff that to the surveillance room. These include:

- Service Provider VP & General Manager
- Service Provider Senior Director of Operations
- Service Provider Security Manager
- Service Provider Assistant Security Manager
- Service Provider Network Administrator (*CSPP 1-8.1, 7.22 & 1-8.1, 10.1*)
- Service Provider Facilities Manager.

Only BCLC Investigators, BCLC Operational Gaming Auditors, BCLC Regional Managers and surveillance staff should have to surveillance room. Access to all other staff needs to be granted by a member of the surveillance staff on duty. (*Security & Surveillance Standards for the BC Gambling Industry*)

BCLC Response - The Service Provider staff that had to the Surveillance room has been removed. The BCLC Operational Gaming Auditor will monitor.

Tables

22. A review of the Activity Report for the period May 20, 2009 to May 22, 2009 revealed numerous instances of dealer supervisors and dealers being logged on for an extended period of time. This indicates that some staff are not logging in/out when leaving the table.

(*CSPP 1-8.4, 5.3 & 5.4*)

BCLC Response - The Service Provider will remind Dealers and Dealer Supervisors of the necessity of signing out of and in addition, the Service Provider will monitor activity on a weekly basis and follow-up any anomalies. The BCLC Operational Gaming Auditor will monitor.

SUMMARY

Areas of non-compliance with BCLC *Casino Standards, Policies and Procedures* were identified in this audit report. As noted in the BCLC responses contained in this report the identified exceptions have been acknowledged by the Corporation and either the risk will be accepted or changes will be made to service provider operations.



All exceptions identified in the previous GPED audit report (November 10, 2008) have been addressed.

Commercial Gaming Audit
Audit and Compliance Branch
September 18, 2009

REFERENCE SOURCES

The following information and reference sources were employed during this review:

- *BCLC incident reports;*
- *Casino occurrence reports;*
- *Gaming Control Act and Regulation;*
- *Advertising and Marketing Standards for the BC Gambling Industry;*
- *Responsible Gambling Standards for the BC Gambling Industry;*
- *Security and Surveillance Standards for the BC Gambling Industry; and*
- *BCLC Casino Standards, Policies and Procedures.*

Distribution List:

Mr. Rick Saville, Director, Registration, Gaming Policy and Enforcement Branch
Mr. Kevin Sweeney, Manager, Operational Gaming Audit, BC Lottery Corporation
Mr. Paul Ahluwalia, Vice President & General Manager, Edgewater Casino



Great Canadian Casinos - Boulevard
GPEB File # COMM-5055
2009/2010 Annual Audit

EXECUTIVE SUMMARY

An audit of the Great Canadian Casinos – Boulevard casino was conducted for the period February 5th, 2009 to November 18th, 2009 to verify compliance with the *Gaming Control Act, Regulation* and all applicable standards, policies and directives.

The scope of this audit included a review of: all casino gaming operations for a full gaming cycle, documentation and reports from the period, registration, and responsible gambling. Procedures were performed on a test basis to provide reasonable assurance of compliance. Exceptions are reported on a risk-adjusted basis.

Although operational exceptions were identified in a number of areas the site was found to be compliant. BCLC has indicated in its response that it has addressed the issues with the service provider.

OBJECTIVE

The objectives of this audit are to:

- Verify compliance with the *Gaming Control Act (GCA)* and *Regulation (GCR)*;
- Verify compliance with *BCLC Casino Standards, Policies and Procedures (CSPP)*; and
- Verify compliance with GPEB standards, policies and directives.

SCOPE

The scope of this audit included:

- A follow-up of previously identified deficiencies.
- Review of operations for a full gaming cycle, including:
 - Vault (cash cage, count room and cash and chip safekeeping);
 - Table games (opening, closing and table administration);
 - Slot operations (procedures and gaming asset controls);
 - Surveillance (administration, procedures and equipment);
 - Security (procedures, premises and gaming asset controls);

- Review of service provider records of equipment, suppliers and gaming workers for comparison against GPEB registration records;
- Review of service provider administration of the responsible gambling program; and
- Review of BCLC incident reports and casino occurrence reports for the period February 2009 to November 2009.

PROCEDURES

An audit of the Great Canadian Casinos – Boulevard casino was conducted for the period February 5th, 2009 to November 18th, 2009. The period of field work was November 16th to 18th, 2009. Audit procedures were conducted on a test basis to provide reasonable assurance of compliance as stated in the objectives. This report identifies exceptions on a risk-adjusted basis. Performed on-site compliance work through observation, interview and testing which included:

- Casino closing through to the next day opening;
- Gaming and cage operations, including shift changes, drop box pulls, hard and soft drops and counts;
- Surveillance and security operations;
- Surveillance recording data;
- Daily revenue reports and back-up documentation; and
- Casino employee records compared against Registration Division active employee records.

An exit interview was conducted on November 18, 2009 with the Casino General Manager, Surveillance Manager, GCC Policy Analyst, BCLC Casino Site Operations Manager and BCLC Operational Gaming Auditor to discuss preliminary audit findings.

EXCEPTIONS

Responsible Gambling

1. It was observed that there is no static clock located in the racebook. Static clocks need to be easily viewed from anywhere in the casino in order for patrons to monitor their length of play. *[BCLC CSPP 1-3.1, 6 & Responsible Gambling Standards for the BC Gambling Industry Section 4.6]*

BCLC Response: Although this falls outside of the BCLC OGA responsibility, the OGA has spoken with the Boulevard General Manager who has stated that they will be installing a clock as required.

2. An inspection of the cage area in the high limit room revealed that a financial transaction policy poster is not visible. Financial transaction policies must be prominently displayed to help ensure the responsible delivery of gaming services. *[BCLC CSPP 1.-4.1, 10.1.2 & Responsible Gambling Standards For The BC Gambling Industry Section 5]*

BCLC Response: OGA verified that this signage was not present as required. The OGA discussed with the Boulevard General Manager and the appropriate signage will be placed as required. OGA will follow-up accordingly.

Cage and Vault

3. A sample review of Large Cash Transaction Records ("LCTR") identified an LCTR which was entered incorrectly in ITRAK. The paper record was correct but a line amount was entered twice in the electronic LCTR document. This issue was corrected by the surveillance department during the field-work portion of the audit. [BCLC CSPP 3-8.1, 13.2]

BCLC Response: This item appears to be an isolated incident. The OGA completes a Large Cash Transaction Review on a quarterly basis, and will continue to monitor for accuracy.

4. A sample review of electronic LCTR's identified six records which contained vague and insufficient information in the occupation field such as "businessman" or "self-employed." The Service Provider must question the patron further to establish occupation specifics and if the patron refuses, the details of the patron's statements must be recorded on the LCTR. [BCLC CSPP 3-8.1 -- 2.4.1]

BCLC Response: This item was also identified by BCLC on two (2) separate BCLC LCTR & Cheque Issuance P1 Reviews (June 2009 and December 2009). The OGA has discussed this with both the Boulevard General Manager and the Boulevard Surveillance Manager to assure a process is developed to eliminate these variances. OGA will follow-up accordingly.

Security

5. A review of the Security department's current active employee listing identified five employees who were terminated between October 13, 2009 and November 13, 2009. Security must maintain an up-to-date and accurate employee listing to help ensure the integrity of security operations. [BCLC CSPP 7-1.1, 1.4.1]

BCLC Response: Employee List Discrepancies have been noted by the BCLC OGA as well on two (2) separate BCLC Security P1 Reviews (September 2009 and December 2009). The

S.15

The OGA has discussed this item with the Boulevard General Manager and will work with him and the Security Manager to assure a process is developed to eliminate these variances. OGA will follow-up accordingly.

Slots

6. It was observed that slot attendants are not consistently performing the "dusting off" procedure after completing cash transactions such as jackpot payouts. The dusting off



procedure is verification that the transaction is complete and also indicates to S.15
that the transaction is complete. [BCLC CSPP 4-6.3, 10.3.3]

BCLC Response: The OGA discussed with the Boulevard General Manager who stated that a MEMO has already gone out to all Site Staff. The OGA will continue to follow-up accordingly.

Table Games

7. The auditor observed a player at the poker table selling chips to another player. This occurred when the player was leaving a game and the dealer asked if he would like to sell his chips to another player at the table. Poker buy-ins must be handled by either the cashier or chip runner and only cashiers may redeem chips.

[BCLC

CSPP 6-6.2, 1.2.3, 4.1, 4.2]

BCLC Response: The OGA discussed with the Boulevard General Manager who stated that a notice has already gone out to all site Poker Staff reminding them that this activity is in violation of procedure. The OGA will continue to follow-up accordingly.

SUMMARY

Areas of non-compliance with the BCLC *Casino Standards, Policies and Procedures*, the Province's *Responsible Gambling Standards for the BC Gambling Industry* and the *Gaming Control Act and Regulation* were identified in this audit report. As noted in the BCLC responses contained in this report the identified exceptions have been acknowledged by the Corporation and either the risk will be accepted or changes will be made to service provider operations.

All exceptions identified in the previous GPEB audit report dated May 25th, 2009 have been addressed.

Commercial Gaming Audit
Audit and Compliance Branch
February 22, 2010

REFERENCE SOURCES

The following information and reference sources were employed during this review:

- BCLC incident reports
- *Gaming Control Act and Regulation*;



Gaming Policy and Enforcement Branch
Ministry of Housing and Social Development

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- *Advertising and Marketing Standards for the BC Gambling Industry;*
- *Responsible Gambling Standards for the BC Gambling Industry;*
- *Security and Surveillance Standards for the BC Gambling Industry;*
- *BCLC Casino Standards, Policies and Procedures; and*
- *BCLC Internal Policies and Procedures*

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